



UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

GREENBERG TRAURIG, LLP

200 Park Avenue
Florham Park, New Jersey 07932
Telephone: (973) 443-3543
Facsimile: (973) 295-1333
Alan J. Brody, Esq.

Attorneys for the Reorganized Debtors

In re:

SHAPES/ARCH HOLDINGS L.L.C., *et al.*

Debtors.

Case No. 08-14631 (GMB)
(Jointly Administered)

Chapter 11

Judge: Gloria M. Burns

**CONSENT ORDER RESOLVING THE
ADMINISTRATIVE CLAIM OF STEVEN GRABELL**

The relief set forth on the following pages, numbered two (2) through (4), is hereby **ORDERED**.

DATED: 3/27/2009



Honorable Gloria M. Burns
United States Bankruptcy Court Judge

WHEREAS, on March 16, 2008, the above-captioned debtors (“Debtors”) filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code, as amended (the “Bankruptcy Code”);

WHEREAS, the cases are being jointly administered pursuant to this Court’s Order dated March 18, 2008;

WHEREAS, on or about May 15, 2008, Steven Grabell (“Grabell”) filed a Proof of Claim [Claim No. 641] against the Debtors in the aggregate amount of \$2,021,274 (the “Grabell Original Claim”), based on (a) accrued vacation pay and (b) a deferred compensation agreement; and

WHEREAS, by Order dated July 24, 2008 [Doc. No. 561], the Bankruptcy Court confirmed the Debtors’ Third Amended Joint Plan of Reorganization;

WHEREAS, on or about September 5, 2008, Grabell filed a Request for Payment of Administrative Expense [Claim No. 862] in the amount of \$356,571, purporting to amend the Grabell Original Claim (the “Grabell Administrative Claim”, and together with the Grabell Original Claim, the “Grabell Proofs of Claim”); and

WHEREAS, on or about September 29, 2008, the Debtors filed an objection seeking to expunge the Grabell Administrative Claim;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual agreements and covenants hereinafter set forth, the parties hereto intending to be legally bound hereby, agree as follows:

1. The Grabell Administrative Claim is reduced to and allowed in the amount

of \$40,000.00, which amount shall be paid by the Debtors to Grabell within five business days following the entry of this Order.

2. All remaining claims asserted by Grabell, including but not limited to claims asserted in the Grabell Proofs of Claim, are reclassified as general unsecured claim in the amount of \$1,981,275 (the "Remaining Claim").

3. The Debtors' and the Class 10 Liquidating Trustee's right to file other objections to the Remaining Claim are hereby fully reserved.

4. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their respective successors and assigns and any successor of any of them.

5. No modification or waiver of, or with respect to, any provision of this Agreement, or consent to any departure from any of the terms or conditions hereof, shall in any event be effective unless it shall be in writing and signed by the parties hereto.

6. Whenever the context may require, any pronoun used herein shall include the correspondence masculine, feminine or neuter forms and the singular form of nouns and pronouns shall include the plural and vice versa.

7. This Agreement has been negotiated and entered into in the interest of settlement and compromise only, without an admission, liability or fault on the party of any party.

8. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and

the same agreement. A facsimile signature shall be sufficient to bind the parties as if it were an original signature.

9. Each party expressly represents that it has entered freely and voluntarily into this Agreement after careful review and the opportunity to consult with counsel. Except as otherwise expressly set forth herein, no representations have been made by either party with respect to any of the matters addressed in this Agreement or with respect to the Chapter 11 case.

10. The terms, conditions and provisions of this Agreement shall be governed by, and construed in accordance with, the United States Bankruptcy Code and to the extent applicable, the internal laws of the State of New Jersey, without giving consideration to any other state's conflict of law provisions.

Dated: Florham Park, NJ
March 25, 2009

GREENBERG TRAURIG, LLP
Attorneys for the Reorganized Debtors
200 Park Avenue
Florham Park, New Jersey 07932

By: /s/ Alan J. Brody
Alan J. Brody, Esq.

HANGLEY ARONCHICK SEGAL & PUDLIN
20 Brace Road
Cherry Hill, New Jersey 08034

By: /s/ Ashely M. Chan
Ashely M. Chan, Esq.

NJ 226,629,471v1

Case No.

08-14631 Document Page 5 of 5

Caption of Order:

CONSENT ORDER RESOLVING THE ADMINISTRATIVE
CLAIM OF STEVEN GRABELL

5

5

5